

**Attachment A**

**Cover Letter and Bid Sheet by KGL**



## ASSOCIATES, INC.

*Mining ■ Mine Development ■ Industrial Remediation ■ Reclamation ■ Surveying*

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September 9, 2009

Mr. Jeff Osborn  
Engineering Manager  
Energy Fuels Resources  
44 Union Blvd., Suite 600  
Lakewood, CO 80228

Dear Mr. Osborn:

Attached is our bid for reclamation operations with support documents as exhibits. Some line items are based on our extensive experience with similar projects.

The Exhibits represent actual bids for similar haul distances and materials, actual quotes for similar tasks, and calculated costs using current equipment, labor, and materials costs.

We did not estimate the DOE Long Term Care, Item 36, or the Construction Bond, Item 37.

Please review the documents and call if you have questions or if we can provide additional information.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Kerr", written over a horizontal line.

Mark Kerr  
President

Summary of Mill Decommissioning Costs: Scenario 2

| Exhibit  | Item | Task  | UOM   | Quantity | KGL Associates, Inc Total Estimated Cost |
|--|------|---|-------|----------|--|
|  |      | Decontaminate Mill Facility (flush process lines and remove solid / liquid reagents)                                      | LS    | 1        | \$100,000.00                             |
| A  | 2    |   |       |          |  |
| A  | 3    | Dewater Solid Tailings ( 1 year)  | LS    | 1        | \$181,500.00                             |
|  |      | Contractor Mobilizatyon / Demobilization  | LS    | 1        | \$143,200.00                             |
| Est from previous project  | 5    |   |       |          |  |
| Est from previous project  | 6    | Re-Grade Tailings Materials in Cell A   | CY    | 88050    | \$20,500.00                              |
| Decommission and Place Mill facility in Tailings Cell A              |      |   |       |          |  |
| B  | 7    | Decommission Mill Facility (dismantle and dispose of buildings, equipment, concrete foundations, piping, electrical, etc) | CY    | 100000   | \$1,000,000.00                           |
| B  | 8    | Place Mill Facility Materials In Tailings Cell A (compact, fill with cemented soil)                                       | LS    | 1        | \$168,000.00                             |
| B  | 9    | Place Ore Pad Materials in Tailings Cell A  | CY    | 14520    | \$24,400.00                              |
| B  | 10   | Strip & Place Mill Facility Soils in Tailings Cell A  | CY    | 12227    | \$20,540.00                              |
| B  | 11   | Strip & Place Other On-Site Facility Soils in Tailings Cell A   | CY    | 11657    | \$19,600.00                              |
| Decommission and Place Evaporation Pond Materials in Tailings Cell A |      |   |       |          |  |
| B  | 12   | a. Strip and Place Evaporation Pond Soils and Materials in Tailings Cell A  | CY    | 41700    | \$166,800.00                             |
| B  |      | b. Back-fill with Clean soil  | CY    | 227541   | \$381,360.00                             |
| Tailings Cell A - Closure  |      |   |       |          |  |
| B  | 13   | Construct Interim Fill Cover (2.0 ft)   | CY    | 94560    | \$160,000.00                             |
| Estimate   | 14   | a. Grout-Seal "Leak Detection System"   | LF    | 400      | \$3,650.00                               |
| Estimate   |      | b. Grout-Seal "Underdrain System"   | LF    | 1340     | \$12,200.00                              |
| B  | 15   | Construct Radon Barrier Cover (4.6 to 7.0 ft-Soil)  | CY    | 362640   | \$609,000.00                             |
| C + Material   | 16   | Construct Capillary Break / Drainage Layer (Part of ET - 1.0 ft-Sand/Gravel)\   | CY    | 53120    | \$1,775,270.00                           |
| C + Material   | 17   | Construct Filter (Part of ET - 0.5 ft-Sand)   | CY    | 26560    | \$887,635.00                             |
| C + Material- 20% rock, 80% soil                                     | 18   | Construct Bio-Intrusion Barrier (Part of ET - 1.0 - 3" Rock and Soil)   | CY    | 53120    | \$394,150.00                             |
| B  | 19   | Construct Erosion Barrier - Native Soil (Part of ET - 1.5 ft)   | CY    | 79680    | \$133,900.00                             |
| C + Material   | 20   | Construct Erosion Barrier - Rock Mulch (Part of ET - 0.5 ft Rock & Soil)  | CY    | 26560    | \$887,635.00                             |
| C + Material   | 21   | Construct Rock Blanket Cover (On Out-slopes >5%, d50= 2.5", 1 ft th-Rock)   | CY    | 26240    | \$877,106.00                             |
| C + Material   | 22   | Construct Rock Blanket Filter (6" th-Sand)  | CY    | 13120    | \$438,470.00                             |
| C + Material   | 24   | Construct Tailings Cover Drainage Channel Filter (10" th. -CDOT Tp I-II Bed)  | CY    | 260      | \$8,690.00                               |
| C + Material   | 25   | Construct Tailings Cover Drainage Channel Rip Rap (d50 = 9", 18" th.)   | CY    | 770      | \$25,733.00                              |
| Reclamation of Decommissioned Site                                   |      |   |       |          |  |
| D  | 26   | Site Grading (Mill & Ore Pad)   | CY    | 225000   | \$22,500.00                              |
| D  | 27   | Site Grading (Roads)  | CY    | 4500     | \$450.00                                 |
| D  | 28   | Site Grading (General Site)   | CY    | 10000    | \$100.00                                 |
| B  | 29   | Re-Topsoil Cell A (1-ft th.)  | CY    | 27320    | \$45,900.00                              |
| E  | 30   | Seed, Fertilize and Mulch Cell A (Seed Rate = 11 lbs per Acre)  | Acres | 34       | \$78,200.00                              |
| B  | 31   | Re-Topsoil All Remaining Areas (1-ft th.)   | CY    | 61820    | \$103,900.00                             |

|   |    |   |       |    |              |
|---|----|---|-------|----|--------------|
| E | 32 | Seed, Fertilize and Mulch Remaining Areas (Seed Rate = 10 lbs per Acre) | Acres | 71 | \$163,300.00 |
|---|----|---|-------|----|--------------|

|                         |  |  |  |  |                |
|-------------------------|--|--|--|--|----------------|
| Subtotal Tasks #1 - #32 |  |  |  |  | \$8,853,689.00 |
|-------------------------|--|--|--|--|----------------|

|                     |    |   |    |   |              |
|---------------------|----|---|----|---|--------------|
| F                   | 33 | Support Personnel (Reclamation Contractor)                        | LS | 1 | \$708,750.00 |
|                     |    | Radiation Program & Industrial Hygiene (3rd Party Site QA/QC)     |    |   |              |
| Experience Estimate |    | a. Support Personnel, Radiation Monitoring (3rd Party Contractor) | LS | 1 | \$351,000.00 |
| G                   | 34 | b. Sampling and Analysis  | LS | 1 | \$293,280.00 |

|                         |  |  |  |  |                 |
|-------------------------|--|--|--|--|-----------------|
| Subtotal Tasks #1 - #34 |  |  |  |  | \$10,206,719.00 |
|-------------------------|--|--|--|--|-----------------|

|          |    |  |    |   |             |
|----------|----|--|----|---|-------------|
| Included | 35 | Contractor Supervision, Overhead, Mark-up and Profit | LS | 1 | Incl. @ 15% |
|          | 36 | DOE Long Term Care                                   | LS | 1 |             |
|          | 37 | Construction Bond (1.5%)                             | LS | 1 |             |

|                        |  |  |  |  |  |
|------------------------|--|--|--|--|--|
| Subtotal Tasks #1 - #7 |  |  |  |  |  |
|------------------------|--|--|--|--|--|

Note 1. Part of Cost

Note 7. 2,000,000 for 8000T (Day Mill)

Note 16. Sand @ \$20-86,000T - 1,726,400-Sand

Note 17. Sand @ \$20/Ton - 863,200 Sand

Note 18. Rock @ \$20 - 1,726,400

Note 20. Rock @ \$20 863,200

Note 21. Rock @ \$20 - 852,800

Note 22. Sand @ - 426,400

Note 26. ± 60 acre ± 2.3 ft depth 2,613,600 sf.

14 Blade @ 12 ft effective lg 2.7 mph 170,000 sf/hr.

3-pass ±60,000 sf/hr. 43.56 hr/lf x 6 lifts ±260 hrs.

65.7/hr + 18.75/hr ÷ .9 = ± \$94/hr

Note 34. Western Technology @ \$47/hr x 2080 x 3)

Note 35. Incl @ 10%

\$10,206,719.00